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IN THE
Supreme Court of the United States

OCTOBER TERM, 1976

No. 76-1376

RAYMOND ROHAUER and CECIL W. HULL,

Petitioners.

v.

KILLIAM SHOWS, INC. and EDUCATIONAL
BROADCASTING CORPORATION,

Respondents.

**OPPOSITION TO PETITION FOR A WRIT CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE SECOND CIRCUIT**

PETER JASZI

1847 Calvert Street, N.W.
Washington, D.C. 20009
(202) 462-2465

JEFFREY SQUIRES

2415 20th Street, N.W.
Washington, D.C. 20009
(202) 483-3633

Attorneys for Respondents

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STATEMENT OF THE CASE

On July 13, October 11 and October 16, 1971 the 1926 silent motion picture "The Son of the Sheik" was broadcast over station WNET of the Educational Broadcasting Corporation ("Broadcasting") pursuant to a license obtained from Killiam Shows, Inc. ("Killiam"), the undisputed copyright proprietor of the motion picture.¹ Petitioner Raymond

¹ Killiam owns the renewal copyright in the motion picture as the successor-in-interest of Joseph Moskowitz and Feature Productions, Inc., pursuant to a license granted Moskowitz by Edith Hull, providing unrestricted consent for the utilization of her novel in the production of the motion picture and assertion of copyright therein.

Rohauer ("Rohauer"), having purchased in 1966 from Cecil W. Hull "all her right, title and interest (if any)" in motion picture rights to the novel on which the motion picture was based, sued Broadcasting and Killiam for infringement of his interest in the novel. Rohauer alleged that the renewal of copyright in the novel by his licensor Hull (joined in the proceeding as a nominal party-plaintiff), as the statutory successor to the deceased author of the novel under 17 U.S.C. §24, terminated the right of the motion picture copyright proprietor to continue exhibiting the film without obtaining a license from Rohauer.

The district court held that the renewal of copyright in the novel by Cecil Hull served to terminate the right of the motion picture proprietor to exhibit the film without Rohauer's permission. The United States Court of Appeals for the Second Circuit reversed the decision of the trial court and held that, while renewal of copyright by a statutory successor would extinguish an *as yet unexercised* license granted by a deceased author for creation of a derivative work, such a renewal would not preclude continued exhibition of a derivative motion picture created and copyrighted during the initial term of copyright in the underlying novel with unrestricted consent of the author of the underlying novel.

REASONS FOR DENYING THE WRIT

Neither Petitioners nor the Authors League of America as *amicus curiae* have demonstrated the existence of "special and important reasons"² justifying review of the Court of Appeals' decision by this Court. While that decision is not without significance, it presents no conflict with prior decisions of this Court, nor with other decisions of the federal courts of appeals. Rather, it resolves a previously unanswered issue of copyright law in a manner which gives due

recognition to the rights granted under section 24 of the Copyright Act of 1909 to statutory successors entitled to renewal-term copyright in works of authors who predecease the renewal period, and to rights granted under section 7 of that Act to creative authors who have obtained and exercised unrestricted consents to employ elements of other, underlying, copyrighted works in their new, derivative works. Another potent consideration bearing on whether review of the Court of Appeals' decision is required is the recent enactment of a general revision of the copyright laws.³ For works created after its effective date, the new law harmonizes the interests of the owners of underlying and derivative work copyrights in a manner consistent with the Court of Appeals' interpretation of the 1909 Act in the present case. Likewise, the new law's treatment of derivative works demonstrates the propriety of the Court of Appeals' refusal to extend the monopoly power of the owners of underlying works over the use of copyrighted, derivative motion pictures.

I.

THE RECENTLY-ENACTED COPYRIGHT REVISION DISPENSES WITH THE SYSTEM OF INITIAL AND RENEWAL TERMS OF PROTECTION WHICH ENGENDERED THE ISSUE PETITIONERS DESIRE THIS COURT TO CONSIDER; RIGHTS ONLY IN WORKS CREATED PRIOR TO JANUARY 1, 1978 WILL BE AFFECTED BY THE DECISION OF THE COURT OF APPEALS, WHICH IS CONSISTENT WITH THE STATUTORY SCHEME GOVERNING RIGHTS IN UNDERLYING AND DERIVATIVE WORKS CONTAINED IN THE NEW ACT.

The issue raised in the present case is a product of the dual term of copyright protection established under section 24

² Rule 19, Supreme Court Rules.

³ Act of Oct. 19, 1976, Pub. L. 94-533 §101 *et seq.*, 90 Stat. 2541. The new law will become effective January 1, 1978. *Id.* §301.

of the Copyright Act of 1909, 17 U.S.C. §24, which provides *inter alia*, that an author or his statutory successors may obtain a 28-year renewal term of protection upon expiration of the initial 28-year term. *Fred Fisher Music Co. v. M. Witmark & Sons*, 318 U.S. 643 (1943). The renewal scheme of the 1909 Act, characterized in 1961 by the Register of Copyrights as "the source of more confusion and litigation than any other provision in the copyright law,"⁴ is being replaced by section 302 of the Copyright Act of 1976 with a single term of protection enduring for the life of the author plus 50 years (or in the case of works not attributed to individually identifiable authors, 75 years).

Provision for the reversion to authors and their successors of previously alienated copyrights is found in section 203 of the new law, motivated by the same consideration for the welfare of authors and their successors that had inspired the creation of the "new estate" of copyright renewal under the 1909 Act.⁵ Section 203(b)(1) of the new Act specifically provides that "A derivative work prepared under authority of the grant before its termination may continue to be utilized under the terms of the grant after its termination. . ." Thus, the general question posed by the instant litigation has been answered by the new statute for all works created after January 1, 1978 which are subsequently employed in the creation of derivative works. Only works in which copyright already subsists on the effective date of the new law will be affected by the Court of Appeals' interpretation of the

Copyright Act of 1909.⁶ And that interpretation is fully consistent with the public policy represented in the new law's treatment of derivative works after the reversion of copyright in underlying works.

Petitioners and the Authors League contend that the termination provisions of the Act of 1976 represent a marked departure from past law, and imply that the conformity of the Court of Appeals' approach with that of the new law is evidence of its having been erroneously decided under the old (Petition at 11; *Amicus Brief* at 11-12). While the substitution of a single term of protection for a dual term requiring renewal does constitute a conceptual departure from past law in the Act of 1976,⁷ the termination provisions of section 203 are intended to preserve the reversionary features of the former law, set in the context of a single term of copyright

⁴ House Committee on the Judiciary, 87th Cong., 1st Sess., *Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law* 53 (Comm. Print 1961).

⁵ Section 203(a) provides that an author or certain designated heirs may terminate grants of copyright, effective from 35 to 40 years after their execution, by serving advance notice on the grantees.

⁶ Section 304(a) of the new law provides that works currently in their initial term of copyright on the effective date of the new law will be eligible for renewal under the same terms as currently applicable under section 24 of the 1909 Act, except that the renewal period will have an extended length of 47 years.

⁷ Criticism of the operation of the renewal system as a whole, rather than the concept of a reversionary interest in favor of authors, prompted abandonment of the dual-term scheme in the new Act. H.R. Rep. No. 1476, 94th Cong., 2d Sess. 134 (1976). That renewal was described as "one of the worst features of the present copyright law," and as a "substantial burden and expense" which caused "incalculable amounts of unproductive work" and was at times "the cause of inadvertent and unjust loss of copyright." *Id.*

protection.⁸

The Court of Appeals, after explaining the policy reasons underlining the inequity of terminating the motion picture owner's right with respect to the elements of the underlying work, found "recognition of these policy considerations in §§203(b)(1) and 304(c)(6)(A)" of the 1976 Act and regarded it "as evidence of a belief on the part of Congress of the need for special protection for derivative works." (Appendix at 23a).⁹ The same considerations apply equally in interpreting the effects of reversion under the old law.

The fact that works in their initial 28-year term of protection on the effective date of the new law will be entitled to renewal under the same provisions as are available under section 24 of the 1909 Act,¹⁰ and will be governed by

the Court of Appeals' interpretation of that section,¹¹ is no indication that the Court of Appeals' decision should be reviewed. In reenacting the language of section 24 as an "interim" provision contained in section 304(a) of the new law, Congress merely acknowledged that numerous contractual relationships had been entered assuming a dual term of copyright; no specific intent with regard to the relationship of underlying works and derivative works is evident, other than an intent to reaffirm the relationship established by the governing statutory provisions by which the Court of Appeals was guided in the present case. And the enactment of section 304(c) of the new law,¹² entitling authors of works copyrighted under the 1909 Act to the same termination rights afforded under section 203 to authors (and successors) of works copyrighted under the new law, belies any Congressional intention to create different reversionary effects under the old and new laws. For, like section 203, section 304 also excludes authorized, existing derivative works from the reversionary effect of termination.

⁸The Register of Copyrights described the provisions of section 203, as they were eventually enacted, as reflecting a continued commitment "to the general principle of reversion as one of the most important elements" of the new law. House Committee on the Judiciary, 89th Cong., 1st Sess., *Supplementary Report of the Register of Copyrights on the General Revision of the U.S. Copyright Law* 72 (1965). The Report made clear that the reversionary feature of section 203 was not a conceptual departure from the past, but rather was an attempt to recast the reversionary provisions of a renewal system, which had become "extremely burdensome and in some cases self-defeating," *id.* at 71, in a manner that would be "of practical benefit to authors and their families without being unfair to publishers, film producers, and other users." *Id.* at 72.

⁹All references to the Court of Appeals' decision are to the Appendix to the Petition.

¹⁰See note 6, *supra*.

¹¹While the holding of the Court of Appeals may apply to a wide variety of works, as suggested by Petitioners and *Amicus*, its rationale is clearly limited to situations in which creators of derivative works transform material taken from underlying works — as in the use of a novel as the basis of a motion picture — by making "contributions . . . as great as or greater than the original author." (Appendix at 22a) Any questions concerning the applicability of the holding below to other types of copyrighted works are not at issue here, and should therefore be left to further judicial treatment on the basis of fully documented fact situations. Clearly, the Court of Appeals' rationale does not apply when the derivation work includes only additions to the underlying work which are conceptually or physically separate from it. See *American Code Co., Inc. v. Bensinger*, 282 F. 920 (2d Cir. 1922).

¹²Section 304(c) of the 1976 Act grants termination rights equivalent with those provided authors of works created after the effective date of the new law, except that termination under section 304(c) may be exercised from 56 to 61 years after copyright was initially secured.

II.

**THE DECISION OF THE COURT OF APPEALS
CONFLICTS NEITHER WITH PRIOR DECISIONS
OF THIS COURT NOR WITH PRINCIPLES OF
COPYRIGHT LAW RECOGNIZED BY ANY FED-
ERAL COURT.**

**A. The Court of Appeals' Decision is Consistent with
this Court's Holding in *Miller v. Daniels*.**

The decision of the Court of Appeals is not in conflict with this Court's characterizations of renewal copyright as a "new estate." *Fred Fisher Music Co. v. M. Witmark & Sons*, 318 U.S. 643 (1943). Rather, the decision addresses a question not previously decided: Whether succession to the "new estate" of renewal entitles an author's statutory successors to interfere with the use of an independently copyrighted derivative work originally created with the author's consent? *Miller Music Corp. v. Chas. N. Daniels, Inc.*, 362 U.S. 373 (1960), like other cases decided by this Court under 17 U.S.C. § 24 and relied upon by Petitioners, deals with the effectiveness of authors' attempts to assign away the primary right to claim copyright renewal in their own works before the accrual of the renewal term. While this Court has refused to hold that authors are altogether without the power to assign away their renewal copyrights, *Fred Fisher, supra*, it has recognized that some limits on their power to alienate the renewal are required if their successors are to have the opportunity to benefit from the renewal term. The decision in *Miller* outlines these limits.

Unlike *Miller*, the instant case does not present a conflict between claims to particular renewal copyrights by authors' statutory successors, on the one hand, and by persons designated by authors — through assignment or by will — to enjoy ownership of those same copyrights during the renewal term, on the other. As the Court of Appeals recognized in analyzing this attempt by the copyright owner of an

underlying work to extend his monopoly control over a separately copyrighted derivative work, this case involves a tension between two classes of copyright proprietors, each owning distinct copyrighted works and each entitled to statutory protection. This Court's analysis of section 24 of the Copyright Act of 1909 in *Miller* concludes that the author's right of renewal is only an "expectancy" until its actual accrual. From this, however, it does not follow that the powers which statutory succession actually confers should be interpreted without reference to the statutory rights granted creators of authorized derivative works and their successors-in-interest under section 7 of the 1909 Act.

Petitioners urge that, against the rights of a statutory successor to the renewal term of copyright in an underlying work, the interests of the owner of a derivative work copyright should be entirely unavailing. In premising this contention on a reading of *Miller*, however, Petitioners neglect to note that, like the rights of statutory successors (but unlike the interest of the assignee of the author's renewal rights in *Miller*), the rights of "derivative" work copyright owners arise directly from the statute, which affords them a separate copyright with its own initial and renewal terms. Although the consent of the copyright owner in an underlying work is required as a precondition for the registration of a valid section 7 copyright, that copyright subsists thereafter by virtue of section 7 itself.¹³

It is submitted that the Court of Appeals has struck a reasonable balance between two competing sets of statutory

¹³To the extent that the *Amicus Brief* of the Authors League of America filed herein suggests that *Miller* controls the present case, that suggestion is inaccurate. That brief, at pp. 5-6, characterizes the holding of *Miller* as being that "'no prior assignment (by the author) could bar' a widow, widower and children who secure copyright in that author's book or play or song" (emphasis added). More accurately, *Miller* held only that an author's assignment of renewal rights cannot bar his statutory successors from claiming and securing renewal copyright as such.

interests under the Copyright Act of 1909, and that the holding of this Court in *Miller*, and the discussion there of anticipatory transfers of rights to claim renewal, do not cast doubt upon either the propriety or the fairness of the balance struck below. This the Court of Appeals itself believed, as it stated:

Turning to the precedents, we do not find that any of the Supreme Court decisions discussed at length in the briefs, primarily *Fox Film Corporation v. Knowles*, 261 U.S. 326 (1923), *Fred Fisher Music Co. v. M. Witmark & Sons*, 318 U.S. 643 (1943), *De Sylva v. Ballantine*, 351 U.S. 570 (1956), and *Miller Music Corp. v. Charles N. Daniels, Inc.*, 362 U.S. 373 (1960), has any real bearing on the issue here before us, either in holding or in opinion. All these cases were concerned with the relative rights of persons claiming full assignment or ownership of the renewal term of an underlying copyright. None involved the question here presented of effecting a proper reconciliation between the grant of derivative copyright in §7 and the final proviso of §24 with respect to renewals of underlying copyrights. (Appendix at 14a)

B. The Court of Appeals' Decision Does Not Contradict Other Relevant Judicial Interpretations of the Copyright Law.

Petitioners and *Amicus* also contend that the Court of Appeals' decision conflicts with prior copyright decisions of lower federal courts. Not only do the decisions cited in support of this contention not confront the issue presented here, but those decisions relied on by Petitioners were decided by the same Circuit Court of Appeals that decided the instant case. In effect, it is contended that the Court has misinter-

preted its own prior holdings.¹⁴ The Court of Appeals in the instant case amply considered — and disposed of — the contention that it was contradicting the cases relied upon by Petitioners (Appendix at 14a-21a).

Respondents do not dispute the two basic propositions established by these cases and accepted by the Court of Appeals in this case: that renewal copyright is a "new estate" which reverts to an author's designated statutory successors when the author dies during the initial term, and that copyright in a derivative work does not affect the "force or validity" of copyright in the underlying work on which it was based. The cases cited by Petitioners do not go beyond these two propositions¹⁵ — and at least one of them is not directly related to them. That case, *G. Ricordi & Co. v. Paramount Pictures, Inc.*, 189 F.2d 469 (2d Cir.), cert. denied, 342 U.S. 849 (1951), held only that ownership of copyright in *Madame Butterfly*, an opera produced pursuant to an assignment limited to the *initial term* of copyright in the underlying novel, did not entitle the opera's proprietor to *reuse the underlying work, after copyright in the novel had been renewed*, to make a new derivative motion picture. As the Court of Appeals here recognized, the holding of *Ricordi* has

¹⁴One case cited by Petitioners, *White-Smith Music Pub. Co. v. Goff*, 187 F. 247 (1st Cir. 1911), was decided under the 1909 Act by a court other than that of the Second Circuit. This case, however, decided only whether a proprietor other than the author or his statutorily-designated successors could claim the renewal term of copyright, and thus does not address the issue of the instant case.

¹⁵The issue raised in *Bartok v. Boosey & Hawkes, Inc.*, 523 F.2d 941 (2d Cir. 1975) was whether the composer's *Concerto for Orchestra* was a posthumous work — which in turn determined who was entitled to the renewal term. *Gilliam v. American Broadcasting Companies*, 538 F.2d 14 (2d Cir. 1976) did not concern renewal at all, nor did *Reyher v. Children's Television Workshop*, 533 F.2d 87 (2d Cir. 1976). These cases regarded claims of infringement of underlying works by the preparation of derivative works without authorization or in an unauthorized manner.

no applicability to the present case, where consent to the making of the original derivative work was unrestricted, and the making of no new derivative work was involved.

Nor is it true that motion picture industry practice and the opinions of commentators indicate that the Court of Appeals erred below. Rather, industry practice of obtaining licenses from all identifiable potential claimants of interest in a motion picture, including statutory successors to underlying works, reflects, as the Court of Appeals found, "obvious good sense . . . so long as the law remains unsettled." (Appendix at 22a). Likewise, the opinions of the leading commentators provide no good basis for believing the Court of Appeals erred.¹⁶ While Petitioners and *Amicus* have pointed to the opinions of several prominent proponents of its position below, the Court of Appeals noted the existence of scholarly support for the positions of both parties (Appendix 21a), and therefore relied upon the language and history of the Act of 1909, and on its own and this Court's prior interpretations of that Act.

CONCLUSION

The decision of the Court of Appeals in the instant case conflicts neither with previous decisions of this Court nor with its own prior interpretations of the federal copyright statutes. The result below comports both with the rights of statutory successors to the renewal terms of copyright in works utilized in the creation of authorized, derivative works, and with the rights of creators of derivative works fully entitled to the protection of copyright for their works. Consistent with provisions governing reversionary rights of

authors and their successors under the new copyright law, the Court of Appeals' decision allows authors' successors to reclaim a valuable copyright without denying proprietors of derivative motion pictures the right to exhibit their works to the public. It also promotes the public interest in access to motion pictures of historic and artistic interest, by avoiding the extension of monopoly control over those works to persons other than their own copyright proprietors.

Respectfully submitted,

PETER JASZI
JEFFREY SQUIRES

Attorneys for Respondents

¹⁶Professor Nimmer, for example, acknowledged in his text that the precise issue raised in this case was undecided, and did little more than hazard an opinion as to how a court would rule, should the issue be raised. *Nimmer on Copyright* §118 (1976).